

GROWERTALKS

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CARES Act Implementation High Priority for AmericanHort

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The AmericanHort advocacy team has been busy assessing the \$2 trillion Coronavirus Aid, Relief and Economic Security Act, otherwise known as the CARES Act, as education and outreach to members and the industry shifted into high gear. The bill, the third in a series of COVID-related federal legislation, creates new programs, alters existing ones and allocates money to be distributed to affected agricultural industries.

Focus has turned to three portions of the legislation: the Economic Injury Disaster Loan (EIDL) program, the newly-formed Paycheck Protection Program (PPP), and money allocated to the Department of Agriculture to provide relief to stakeholders severely impacted by the national emergency. Congress allocated \$10 billion for the EIDL loan program and \$348 billion for PPP loans/grants. USDA will receive \$9.5 billion to deliver agricultural sector relief. The funds are supposed to include assistance to specialty crop producers.

Eligibility for the EIDL loan program, an existing program under the Small Business Administration (SBA), has been expanded as a result of the CARES Act. Traditionally, eligibility has not included agricultural businesses, though American-Hort believes that under CARES, Congress intends Agriculture to be included.

The PPP program provides eligible businesses with operating loans that may be forgiven if employees are retained. PPP is run by the Treasury Department in coordination with SBA. Applications went live on Friday, April 3. (AmericanHort and its strategic partner K•Coe Isom held an outreach webinar that may be viewed in AmericanHort's Coronavirus Resource Center at americanhort.org/coronavirus.)

One big question remaining is how USDA will deploy its emergency funding. In view of the severe market disruptions now unfolding just as our industry's peak season gets underway, AmericanHort sent a letter to Secretary of Agriculture Sonny Perdue on April 3, advocating for the horticulture industry to receive its fair share of relief for severe losses resulting from this devastating crisis.

(Editor's Note: As of press time, the small business loan program had reached the \$350 billion cap, essentially running out of money and refusing to take any more applications. Politico reported that businesses like larger restaurant chains were able to access their loan money, leaving many smaller operations to wait until the Speaker of the House and the Secretary of the Treasury negotiate for an additional \$250 billion for the program.)

DHS Suspends Plans to Issue Supplemental H-2B Visas

On April 2, the Department of Homeland Security announced via Twitter that it is abandoning plans to release supplemental H-2B visas due to the current state of the economy. The DHS tweeted:

To clear up various misreporting—DHS's rule on the H-2B cap is on hold pending review due to present economic circumstances. No additional H-2B visas will be released until further notice. Per the statute, H-2B allocations are set in consultation with @USDOL.

— Homeland Security (@DHSgov) April 2, 2020

On March 5, DHS had announced that it planned to make 35,000 supplemental H-2B visas available this fiscal year in two batches, reserving some visas for workers from Guatemala, El Salvador and Honduras.

—Craig Regelbrugge

SAF Advocates for Grower Aid Through USDA

As U.S. floriculture producers see sales drop dramatically year over year due to the COVID-19 crisis, the Society of American Florists is actively working with Congress and the USDA to secure access to grower aid.

Congress allocated \$9.5 billion to the USDA in the Coronavirus Stimulus Package put into law on March 27 to support specialty crops, livestock, dairy and producers supplying to local markets.

In early April, SAF led advocacy efforts both with USDA and on the Hill to gain support for the idea that floriculture should receive a portion of the \$9.5 billion. A letter to Secretary of Agriculture Sonny Perdue coordinated by SAF and signed by SAF, the Association of Specialty Cut Flower Growers, CalFlowers, Certified American Grown Flowers, and the Produce Marketing Association said in part:

“We estimate the economic impact of COVID-19 on domestic cut flower and greenery growers to be nearly \$200 million for February through May. For the flowering potted and bedding plants (annuals), we estimate the impact to be more than \$330 million. Both cut flowers and flowering potted/bedding plants are highly perishable and if not sold within the window for which they are produced, they are thrown in the compost. While the impacts differ based on geography, we believe a conservative estimate of about 60% of the floriculture crops described above have been disposed of. Furthermore, without the revenue from February and March, growers are unable to plant and pay employees for the next crop cycle. The industry is at a pivotal point in its long history in the U.S. and without rapid and significant support, it will likely collapse.

“The floriculture industry is aware of the many challenges facing the public and the broader agricultural community during this unprecedented threat. We have not sought support during the trade negotiations with China, despite our reliance on some inputs from there, and the vast majority of growers rely on private crop insurance. However, COVID-19 has brought an existential threat the likes of which the industry has never seen.

“We ask that you evaluate the various authorities USDA has at its disposal including the Commodity Credit Corporation, which the undersigned organizations advocated additional funding for in the COVID III emergency supplemental bill or through the \$9.5 Billion provided to USDA to support agricultural producers impacted by COVID-19.”

In April, SAF also worked with Rep. Salud Carbajal (D-California) to circulate a “Dear Colleague” letter among members of Congress in support of floriculture receiving USDA aid that was then sent to Secretary Perdue. Thirteen members of Congress, including the co-chairs of the Congressional Cut Flower Caucus, signed the letter.

“We are in unprecedented times that are bringing challenges to the industry that we’ve never absorbed before at the rate at which they have been felt,” said Dr. Joe Bischoff, SAF’s senior lobbyist. “Because of that, we’re pursuing direct assistance from USDA. A lot of food-related crops have received support from USDA in the past in times such as natural disasters, but it has never been done for floriculture before. Working closely with USDA, we’re making the case that domestic floriculture production needs to be supported to overcome this existential threat.”

—Katie Butler, Senior VP, Society of American Florists

AmericanHort Joins Advocacy Push on EIDL Loans

AmericanHort joined a multitude of other national organizations in early April in calling for agricultural business eligibility for the Small Business Administration’s Economic Injury Disaster Loan (EIDL) Program. The already-established program was revised with passage of the CARES Act.

The letter, spearheaded by The American Farm Bureau Federation and AmericanHort tax partner K-Coe Isom, was sent to the Administrator of the Small Business Association, Jovita Carranza, on April 1. The EIDL program was previously unavailable to agricultural businesses, but as a result of the CARES Act, eligibility was expanded to include all types of businesses, as long as their number of employees was under the 500-employee threshold. Unfortunately, the expanded eligibility isn’t reflected in the current online application process, as users cannot advance if they indicated they’re an agricultural enterprise.

In an interesting twist, nurseries were included in the EIDL program under the previous rules, but only if they fall under a \$1,000,000 revenue threshold. The CARES Act legislation also removed revenue thresholds from the eligibility equation. Watch for further developments.

—Tal Coley, Director of Government Affairs, AmericanHort